Setting up of National Co-operative Bank of India

526. SHRI SHANKAR DAYAL SINGH:
SHRI MOHAMMAD AFZAL: *alias* MEEM AFZAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Agriculture Credit Review Committee appointed by the Reserve Bank of India had, as far back as in 1989, apart from other suggestions, recommended setting up of National Cooperative Bank of -India (NCBI) as an apex body of the whole co-operative system in the country;

(b) if so, whether the recommendation has been accepted by Government; and

(c) what are the reasons for delay in establishing such an institution in the larger interest of the cooperative movement in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) and (c) A detailed proposal of the National Co-operative Union of India for setting up of the National Co-operative Bank of India (NCBI) was examined by Government in consultation with the Reserve Bank of India (RBI). In the proposal of setting up of NCBI, it was stipulated that the resources of the proposed bank will consist of Statutory Liquidity Ratio (SLR) investments of State Co-operative Banks (SCBs), reserve funds of SCBs, surplus balance of large co-operative institutions and a high level of envisaged foreign exchange business. The feasibility of the proposal was examined and the proposed bank was not considered to be a viable institution. As regards the role of NCBI being the spokesman for co-operatives and looking after the interest of co-operative ventures, it was felt that there already exist a number of agencies at apex level who act as spokesmen for the co-operative sector.

Involvement of foreign banks in security Scam

527. SHRI SHANKAR DAYAL SINGH:
SHRIMATI KAMLA SINHA:
SHRI SURESH KALMADI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in the wake of recent securities scam, Government have made any investigation to know if the foreign banks in the country are also engaged in securities trade with a nexus between the broker community and the officials in the nationalised banks;

(b) if so, what are the details thereof stating the *modus operandi* of the foreign banks in securities scam, if involved; and

(c) what steps are contemplated by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Committee has been set up by Reserve Bank of India under the Chairmanship of Shri R. Janakiraman, Deputy Governor, Reserve Bank of India to inquire into the possible irregularities in funds management and security transactions by commercial banks (including foreign banks) and financial institutions.

(b) The Committee set up by Reserve Bank of India, in its second interim report, has determined the value of Investments (Purchases made) by NHB from ANZ Grindlays Bank and Standard Chartered Bank for which the bank does

not hold either securities, SGL transfer forms or BRs as under:

(Rs. in crores)

Bank/Institution by whom investment Made.	Bank/Institution to whom payment was made.	Amount
National Housing Bank (NHB) . . .	ANZ Grindlays Bank	506.55
National Housing Bank (NHB) . . .	Standard Chartered Bank	55.18
Standard Chartered Bank	Under investigation.	400.35

In the case of amounts paid by the National Housing Bank to ANZ Grindlays Bank and Standard Chartered Bank they were deposited by the banks in the accounts of broker/their firm.

The Committee, has also pointed out in the interim report that Standard Chartered Bank's total exposure against BRs/ SGL transfer forms issued by Bank of Karad Ltd. and Metropolitan Co-operative Bank (for which these banks do not appear to have sufficient backing) amounted to Rs. 931.84 crores.

(c) On the basis of the recommendations contained in the first interim report of the Committee, the Reserve Bank of India have issued detailed guidelines to banks on 20th June, 1992 on the investment portfolio of banks and transactions in securities.

Adverse effect of hike in excise and Customs Duties on Plastic Industries

528. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact tthat the recent hike in Excise Duty on indigenous raw material and Customs Duty has hit the plastic industry in the country and more plastic units are on the verge of closure; and

(b) if so, whether Government propose to give any concession in the form of reduction in the excise duty and customs duty to save the local industries from closure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) In the Budget for 1992-93, while the basic excise duty on specified bulk plastics was increased from 30 per cent *ad valorem* to 40 per cent *ad valorem*, the imoprt duty (basic plus auxiliary) on plastic resins was not increased. The viability of plastic units is dependent on a variety of factors like demand, price, setting up of new industries, etc. Excise and Customs duties are only two of the factors involved. Government is not aware that the increase in Excise duty has led to more plastic units being on the verge of closure.

शेयर घोटाले में अंतर्ग्रस्त बैंक और अधिकारी

529. **श्री शंकर दयाल सिंह :**
श्री राजूभाई ए० परमार :
श्री मुरलीधर चन्द्रकांत भंडारे :
श्रीमती वीणा वर्मा :
श्री विट्ठलभाई मोतीराम पटेल :
श्री सुरेन्द्र सिंह :

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि :

(क) भारतीय रिजर्व बैंक सहित किन-किन बैंकों के कौन-कौन से अधिकारी शेयर घोटाले में अंतर्ग्रस्त हैं और उनके विरुद्ध किस प्रकार के मामले चलाए जा रहे हैं या जांच की जा रही है ;